
HOUSE BILL No. 1416

DIGEST OF INTRODUCED BILL

Citations Affected: IC 27-8-32.

Synopsis: Health fee disclosures to patients. Requires health care providers and health care facilities to provide certain health fee information related to health benefit plans to their patients. Requires that certain notices be included in bills and statements. Provides that a violation constitutes a false or misleading written statement for purposes of the statute on the crime of deception.

Effective: July 1, 2007.

Ripley

January 16, 2007, read first time and referred to Committee on Insurance.

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First Regular Session 115th General Assembly (2007)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2006 Regular Session of the General Assembly.

HOUSE BILL No. 1416

A BILL FOR AN ACT to amend the Indiana Code concerning insurance.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 27-8-32 IS ADDED TO THE INDIANA CODE AS
2 A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY
3 1, 2007]:

4 **Chapter 32. Health Fee Information**

5 **Sec. 1. As used in this chapter, "contracted health care facility"**
6 **means:**

7 **(1) a hospital; or**

8 **(2) an ambulatory outpatient surgical center;**

9 **that is licensed under IC 16-21 and that, under a contract with a**
10 **health benefit plan, provides health care services to the enrollees**
11 **or insureds of the health benefit plan at a specified rate of**
12 **reimbursement.**

13 **Sec. 2. (a) As used in this chapter, "contracted health care**
14 **provider" means a health care provider that, under a contract with**
15 **a health benefit plan, provides health care services to the enrollees**
16 **or insureds of the health benefit plan at a specified rate of**
17 **reimbursement.**



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(b) The term includes a contracted health care facility.

Sec. 3. As used in this chapter, "health benefit plan" means a person or entity that is obligated to provide or pay for health benefits under a policy or contract that provides coverage for health care services, including, to the extent permitted by the federal Employee Retirement Income Security Act of 1974, a person or entity acting under a contract or arrangement to provide or administer any health benefit, including an agent of the health benefit plan.

Sec. 4. As used in this chapter, "health care provider" has the meaning set forth in IC 16-39-7-1(a).

Sec. 5. Before providing services to a patient in a nonemergency situation, a health care provider shall disclose to the patient:

- (1) whether the provider is a contracted health care provider or contracted health care facility with respect to the patient's health benefit plan; and
- (2) whether the provider is prohibited from billing activities under section 9(a)(2)(A) of this chapter.

Sec. 6. Before providing services to a patient in a nonemergency situation:

- (1) a health care provider that is not a contracted health care provider with respect to the patient's health benefit plan; or
- (2) a health care facility that is not a contracted health care facility with respect to the patient's health benefit plan;

shall inform the patient that the patient may be billed for services provided by the health care provider or health care facility for amounts in addition to coinsurance, deductibles, and copayments payable under their health benefit plan.

Sec. 7. At the time of the preregistration of a patient for nonemergency services, a contracted health care facility shall notify the patient:

- (1) of any services that will be provided to the patient at the contracted health care facility by a health care provider that is not a contracted health care provider with respect to the patient's health benefit plan; and
- (2) that the patient may be billed for services provided by the health care providers that are not contracted health care providers with respect to the patient's health benefit plan for amounts in addition to amounts for coinsurance, deductibles, and copayments, or for services not covered under the patient's health benefit plan.

Sec. 8. If a contracted health care facility fails to provide the

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notification required by section 7 of this chapter and a patient receives services from a health care provider that is not a contracted health care provider with respect to the patient's health benefit plan:

(1) the contracted health care facility and the health care provider that is not a contracted health care provider with respect to the patient's health benefit plan shall not be entitled to payment for the services provided to the patient in an amount greater than the amount that the state Medicaid program pays to the contracted health care facility and the health care provider for the types of services provided to the patient; and

(2) the contracted health care facility and the health care provider that is not a contracted health care provider with respect to the patient's health benefit plan shall not bill the enrollee or insured under the patient's health benefit plan for any amounts with respect to the services provided to the patient other than amounts for coinsurance, deductible, or copayment, or for services not covered under the patient's health benefit plan.

Sec. 9. (a) Every contract between a health benefit plan and a contracted health care provider:

(1) must be in writing; and

(2) must contain the following:

(A) A provision prohibiting the health care provider from billing an enrollee or insured for contracted health care services for which the health benefit plan is obligated to pay.

(B) A provision stating that, in the event the health benefit plan fails to pay for contracted health care services as set forth in the policy or evidence of coverage, the enrollee or insured is not liable to the contracted health care provider for amounts for which the health benefit plan is obligated to pay.

(b) If a contract between a health benefit plan and a contracted health care provider:

(1) is not in writing as required by subsection (a)(1); or

(2) does not contain the prohibition against billing for contracted health care services required by subsection (a)(2)(A);

the health care provider may not collect or attempt to collect from the enrollee or insured any amount for which the health benefit

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plan is obligated to pay.

Sec. 10. A contracted health care provider who submits a claim to a health benefit plan for payment for services provided to an enrollee or insured of the health benefit plan is prohibited from billing the enrollee or insured for services that the health benefit plan is obligated to pay.

Sec. 11. A contracted health care provider shall not:

- (1) bill an enrollee or insured for;
- (2) collect from an enrollee or insured; or
- (3) attempt to bill or collect from an enrollee or insured; any amounts, other than those representing coinsurance, deductibles, or co-payments, or payments for noncovered services, for which a health benefit plan is obligated to pay.

Sec. 12. Except as provided in section 13 of this chapter, a statement sent to an enrollee or insured by a contracted health care provider:

- (1) must clearly state the amounts billed to the health benefit plan; and
- (2) must contain the following language, conspicuously displayed on the front of the statement in at least 12 point bold type:

"NOTICE: THIS IS NOT A BILL. DO NOT PAY."

Sec. 13. Any bill that a contracted health care provider sends to an enrollee or insured for payment of coinsurance, deductible, or co-payments amounts, or for noncovered services:

- (1) must clearly state any amount for which the health benefit plan of the enrollee or insured is obligated to pay; and
- (2) must contain the following language, conspicuously displayed at the bottom of the bill in at least 12 point bold type:

"NOTICE: YOU ARE NOT RESPONSIBLE FOR ANY AMOUNTS OWED BY YOUR HEALTH BENEFIT PLAN."

Sec. 14. A bill or other writing sent by a contracted health care provider to an enrollee or insured violation of this chapter constitutes a false or misleading written statement for purposes of IC 35-43-5-3(a)(2).

Sec. 15. A health care provider who demands or receives payment from an enrollee or insured for any amount for which the health care provider is prohibited from billing or collecting under to this chapter shall:

- (1) correct the billing; and
- (2) refund any amount paid by the enrollee or insured;

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1 within twenty-five (25) days after service of a cease and desist
2 order by the insurance commissioner.

3 Sec. 16. A health care provider who files or causes to be filed a
4 report with a credit reporting agency for the nonpayment by an
5 enrollee or insured of any amount for which the health care
6 provider is prohibited from billing or collecting under this chapter
7 is liable for:

8 (1) the provision of any required documentation; and

9 (2) all costs, including attorney fees and court costs;
10 associated with correcting the erroneous credit report.

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